



General Assembly

February Session, 2006

Raised Bill No. 5261

LCO No. 1548

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Referred to Committee on Energy and Technology

Introduced by:
(ET)

AN ACT CONCERNING NATURAL GAS AND OIL CONSERVATION.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (b) of section 16-19b of the 2006 supplement to
2 the general statutes is repealed and the following is substituted in lieu
3 thereof (*Effective July 1, 2006*):

4 (b) If the department finds that the changed price of purchased gas
5 required for distribution by a gas company substantially threatens the
6 ability of the company to earn a reasonable rate of return, [or] will
7 cause the company to have an excessive rate of return, or is insufficient
8 for procuring efficiency resources not recovered pursuant to a gas
9 conservation plan pursuant to section 16-32f, as amended by this act,
10 the department shall, after investigation and public hearing, approve a
11 suitable purchased gas adjustment clause to be superimposed upon
12 the existing rate schedule of the company. The department shall design
13 any such purchased gas adjustment clause to allow the gas company to
14 charge or to reimburse the consumer only for the changes in the cost of
15 purchased gas which occur when the actual price of purchased gas
16 differs from the price reflected in the base rates of the company. The
17 department may establish an efficiency factor in the purchased gas

18 adjustment clause of each gas company, which may provide for less
19 than one hundred per cent recovery of the gross earnings tax imposed
20 by section 12-264, as amended, on the revenues from such purchased
21 gas. A purchased gas adjustment clause approved pursuant to this
22 section shall apply to all gas companies similarly affected by the costs
23 which form the basis for the adjustment clause.

24 Sec. 2. Section 16-32f of the 2006 supplement to the general statutes
25 is repealed and the following is substituted in lieu thereof (*Effective July*
26 *1, 2006*):

27 (a) On or before October first of each even-numbered year, a gas
28 company, as defined in section 16-1, as amended, shall furnish a report
29 to the Department of Public Utility Control containing a five-year
30 forecast of loads and resources. The report shall describe the facilities
31 and supply sources that, in the judgment of such gas company, will be
32 required to meet gas demands during the forecast period. The report
33 shall be made available to the public and shall be furnished to the chief
34 executive officer of each municipality in the service area of such gas
35 company, the regional planning agency which encompasses each such
36 municipality, the Attorney General, the president pro tempore of the
37 Senate, the speaker of the House of Representatives, the joint standing
38 committee of the General Assembly having cognizance of matters
39 relating to public utilities, any other member of the General Assembly
40 making a request to the department for the report and such other state
41 and municipal entities as the department may designate by regulation.
42 The report shall include: (1) A tabulation of estimated peak loads and
43 resources for each year; (2) data on gas use and peak loads for the five
44 preceding calendar years; (3) a list of present and projected gas supply
45 sources; (4) specific measures to control load growth and promote
46 conservation; and (5) such other information as the department may
47 require by regulation. A full description of the methodology used to
48 arrive at the forecast of loads and resources shall also be furnished to
49 the department. The department shall hold a public hearing on such
50 reports upon the request of any person. On or before August first of

51 each odd-numbered year, the department may request a gas company
52 to furnish to the department an updated report. A gas company shall
53 furnish any such updated report not later than sixty days following the
54 request of the department.

55 (b) Not later than October 1, 2005, and annually thereafter, a gas
56 company, as defined in section 16-1, as amended, shall submit to the
57 Department of Public Utility Control a gas conservation plan, in
58 accordance with the provisions of this section, to implement cost-
59 effective energy conservation programs and market transformation
60 initiatives. All supply and conservation and load management options
61 shall be evaluated and selected within an integrated supply and
62 demand planning framework. Such plan shall provide for annual
63 expenditures for the implementation of the programs of the plan,
64 which expenditures shall be amounts of not less than 1.1 cents per
65 hundred cubic feet of natural gas projected to be distributed to
66 customers by the company in 2007, 2.2 cents in 2008, and 3.3 cents in
67 2009 and annually thereafter. Services under the plan shall be available
68 to all gas company customers and the costs shall be collected as a
69 portion of the delivery charges. Expenditures pursuant to the plan may
70 be recovered by the company as provided in section 16-1900. The
71 department shall, in an uncontested proceeding during which the
72 department may hold a public hearing, approve, modify or reject the
73 plan.

74 (c) (1) The Energy Conservation Management Board, established
75 pursuant to section 16-245m, as amended by this act, shall advise and
76 assist each such gas company in the development and implementation
77 of the plan submitted under subsection (b) of this section. Each
78 program contained in the plan shall be reviewed by each such gas
79 company and shall be either accepted, modified or rejected by the
80 Energy Conservation Management Board before submission of the
81 plan to the department for approval. The Energy Conservation
82 Management Board shall, as part of its review, examine opportunities
83 to offer joint programs providing similar efficiency measures that save

84 more than one fuel resource or to otherwise coordinate programs
85 targeted at saving more than one fuel resource. Any costs for joint
86 programs shall be allocated equitably among the conservation
87 programs.

88 (2) Programs included in the plan shall be screened through cost-
89 effectiveness testing that compares the value and payback period of
90 program benefits to program costs to ensure that the programs are
91 designed to obtain gas savings whose value is greater than the costs of
92 the program. Program cost-effectiveness shall be reviewed annually by
93 the department, or otherwise as is practicable. If the department
94 determines that a program fails the cost-effectiveness test as part of the
95 review process, the program shall either be modified to meet the test
96 or shall be terminated. On or before January 1, 2007, and annually
97 thereafter, the board shall provide a report, in accordance with the
98 provisions of section 11-4a, to the joint standing committees of the
99 General Assembly having cognizance of matters relating to energy and
100 the environment, that documents expenditures and funding for such
101 programs and evaluates the cost-effectiveness of such programs
102 conducted in the preceding year, including any increased cost-
103 effectiveness owing to offering programs that save more than one fuel
104 resource.

105 (3) Programs included in the plan may include, but are not limited
106 to: (A) Conservation and load management programs, including
107 programs that benefit low-income individuals; (B) research,
108 development and commercialization of products or processes that are
109 more energy-efficient than those generally available; (C) development
110 of markets for such products and processes; (D) support for energy use
111 assessment, engineering studies and services related to new
112 construction or major building renovations; (E) the design,
113 manufacture, commercialization and purchase of energy-efficient
114 appliances, air conditioning and heating devices; (F) program planning
115 and evaluation; (G) joint fuel conservation initiatives and programs
116 targeted at saving more than one fuel resource; and (H) public

117 education regarding conservation. Such support may be by direct
118 funding, manufacturers' rebates, sale price and loan subsidies, leases
119 and promotional and educational activities. The plan shall also provide
120 for expenditures by the Energy Conservation Management Board for
121 the retention of expert consultants and reasonable administrative costs,
122 provided such consultants shall not be employed by, or have any
123 contractual relationship with, a gas company. Such costs shall not
124 exceed five per cent of the total cost of the plan.

125 (d) [Nothing in this section shall be construed to require the
126 Department of Public Utility Control to establish a conservation charge
127 to support the programs in this section.] Services provided under the
128 plan shall constitute a minimum level of support for conservation and
129 efficiency activities. In addition, the gas companies shall consider
130 energy efficiency programs and projects as a resource equal to gas
131 supply, with all reasonably available cost-effective efficiency resources
132 procured prior to the acquisition of gas supply. Any additional costs
133 for procuring such efficiency resources that are not recovered pursuant
134 to the plan shall be recovered pursuant to a purchased gas adjustment
135 clause approved pursuant to section 16-19b, as amended by this act.

136 Sec. 3. (NEW) (*Effective July 1, 2006*) (a) For purposes of this section,
137 "fuel oil" means the product designated by the American Society for
138 Testing and Materials as "Specifications for Heating Oil D396-69",
139 commonly known as number 2 heating oil, and grade number 4, grade
140 number 5 and grade number 6 fuel oil, provided such heating and fuel
141 oil are used for purposes other than the generation of power to propel
142 motor vehicles or for the generation of electricity.

143 (b) On or before November 1, 2006, the Energy Conservation
144 Management Board, established pursuant to section 16-245m of the
145 2006 supplement to the general statutes, as amended by this act, shall,
146 after issuing a request for proposals, select an entity qualified to
147 administer and implement conservation and energy efficiency
148 programs for fuel oil customers, as described in this section, to act as

149 the program administrator for such programs and shall enter into a
150 contract not to exceed three years in duration for such purpose. At the
151 expiration of the contract, the board may renew the contract if it finds
152 that the administrator's performance has been satisfactory, or it may
153 issue a new request for proposals.

154 (c) On or before March 1, 2007, the program administrator shall
155 submit to the Energy Conservation Management Board a fuel oil
156 conservation plan in accordance with the provisions of this section for
157 the balance of 2007. On or before October 1, 2007, and annually
158 thereafter, the program administrator shall submit to the Energy
159 Conservation Management Board a fuel oil conservation plan in
160 accordance with the provisions of this section. The board shall hold a
161 public hearing on each such plan.

162 (d) (1) The Energy Conservation Management Board shall advise
163 and assist the program administrator in the development and
164 implementation of a comprehensive plan, which plan shall be
165 approved by the board, that implements cost-effective fuel oil energy
166 conservation programs and market transformation initiatives for
167 residential, commercial and industrial fuel oil customers. The board
168 shall, as part of its review, examine opportunities to offer joint
169 programs providing similar efficiency measures that save more than
170 one fuel resource or to otherwise coordinate programs targeted at
171 saving more than one fuel resource. Any costs for joint programs shall
172 be allocated equitably among the conservation programs.

173 (2) Program cost-effectiveness shall be reviewed annually by the
174 Energy Conservation Management Board, or otherwise as practicable.
175 Programs included in the plan shall be evaluated as to cost-
176 effectiveness by comparing the value and payback period of the
177 program benefits to the program costs to ensure that the programs are
178 designed to obtain fuel oil savings, the value of which is greater than
179 the costs of the program. If a program is determined by the board to
180 fail the cost-effectiveness test as part of the review process, it shall

181 either be modified to meet the test or it shall be terminated. On or
182 before March 1, 2008, and annually thereafter, the board shall provide
183 a report to the joint standing committees of the General Assembly
184 having cognizance of matters relating to energy and the environment
185 that documents expenditures and fund balances and evaluates the
186 cost-effectiveness of such programs conducted in the preceding year,
187 including any increased cost-effectiveness due to offering programs
188 that save more than one fuel resource.

189 (3) Programs included in the plan may include, but not be limited
190 to: (A) Conservation programs, including programs that benefit low-
191 income persons; (B) research, development and commercialization of
192 precuts or processes that are more energy-efficient than those
193 generally available; (C) development of markets for such products and
194 processes; (D) support for energy use assessment, engineering studies
195 and services related to new construction or major building
196 renovations; (E) the design, manufacture, commercialization and
197 purchase of energy-efficient appliances and heating devices; (F)
198 program planning and evaluation; (G) joint fuel conservation
199 initiatives and programs targeted at saving more than one fuel
200 resource; and (H) public education regarding conservation. Such
201 support may be by direct funding, manufacturers' rebates, sale price
202 and loan subsidies, leases and promotional and educational activities.
203 The plan will also provide for expenditures by the Energy
204 Conservation and Management Board for the retention of expert
205 consultants and reasonable administrative costs, provided such
206 consultants shall not be employed by, or have any contractual
207 relationship with, a fuel oil company or the program administrator.
208 Such costs shall not exceed five per cent of the total cost of the plan.

209 (e) There is established an account to be known as the "fuel oil
210 conservation account" which shall be a separate, nonlapsing account
211 within the General Fund. Any balance remaining in said account at the
212 end of any fiscal year shall be carried forward in said account for the
213 fiscal year next succeeding. Funds shall be deposited in the account in

214 accordance with the provisions of subsection (f) of this section as
215 follows: (1) A portion of such tax in the amount of five million dollars
216 for 2007; (2) a portion of such tax in the amount of ten million dollars
217 for 2008; and (3) a portion of such tax in the amount of fifteen million
218 dollars for 2009. The Secretary of the Office of Policy and Management
219 shall pay specific amounts from said account, upon authorization of
220 the Energy Conservation and Management Board, to the program
221 administrator selected to implement an approved plan.

222 (f) (1) There is established a Fuel Oil Conservation Board consisting
223 of five members, including the Commissioner of Revenue of Services
224 and the Attorney General, or their respective designees. The Governor
225 shall appoint one member representing a retail fuel oil dealer, the
226 president pro tempore of the Senate shall appoint one member
227 representing a business organization, and the speaker of the House of
228 Representatives shall appoint one member representing an
229 environmental organization with experience in conservation programs,
230 all of whom shall serve in accordance with section 4-1a of the general
231 statutes.

232 (2) The board shall pay specific amounts from the fuel oil
233 conservation account established pursuant to subsection (e) of this
234 section to the program administrator selected to implement an
235 approved plan upon authorization of the Energy Conservation and
236 Management Board.

237 (3) The board shall establish itself as a tax exempt organization in
238 accordance with the provisions of Section 501(c)(3) of the Internal
239 Revenue Code of 1986, or any subsequent corresponding internal
240 revenue code of the United States, as from time to time amended. Not
241 later than July 1, 2007, and biennially thereafter, a third party selected
242 by the Attorney General shall audit the activities of the board. The
243 results of such audit shall be submitted in a report to the joint standing
244 committees of the General Assembly having cognizance of matters
245 relating to energy and the environment.

246 Sec. 4. Subsection (c) of section 16-245m of the 2006 supplement to
247 the general statutes is repealed and the following is substituted in lieu
248 thereof (*Effective July 1, 2006*):

249 (c) The Department of Public Utility Control shall appoint and
250 convene an Energy Conservation Management Board which shall
251 include representatives of: (1) An environmental group knowledgeable
252 in energy conservation program collaboratives; (2) the Office of
253 Consumer Counsel; (3) the Attorney General; (4) the Department of
254 Environmental Protection; (5) the electric distribution companies in
255 whose territories the activities take place for such programs; (6) a state-
256 wide manufacturing association; (7) a chamber of commerce; (8) a
257 state-wide business association; (9) a state-wide retail organization;
258 (10) a representative of a municipal electric energy cooperative created
259 pursuant to chapter 101a; (11) two representatives selected by the gas
260 companies in this state; (12) a retail fuel oil dealers association in the
261 state; and [(12)] (13) residential customers. Such members shall serve
262 for a period of five years and may be reappointed. Representatives of
263 the gas companies shall not vote on matters unrelated to gas
264 conservation. Representatives of the electric distribution companies
265 and the municipal electric energy cooperative shall not vote on matters
266 unrelated to electricity conservation. The representative of the fuel oil
267 dealers shall not vote on matters unrelated to fuel oil conservation.

268 Sec. 5. Subsection (j) of section 16-19b of the 2006 supplement to the
269 general statutes is repealed and the following is substituted in lieu
270 thereof (*Effective July 1, 2006*):

271 (j) Any purchased gas adjustment clause or energy adjustment
272 clause approved by the department may include a provision designed
273 to allow the electric or gas company to charge or reimburse the
274 customer for any under-recovery or over-recovery of overhead and
275 fixed costs due solely to the deviation of actual retail sales of electricity
276 or gas from projected retail sales of electricity or gas. The department
277 shall include such provision in any energy adjustment clause approved

278 for an electric company if it determines (1) that a significant cause of
279 excess earnings by the electric company is an increase in actual retail
280 sales of electricity over projected retail sales of electricity as
281 determined at the time of the electric company's most recent rate
282 amendment, and (2) that such provision is likely to benefit the
283 customers of the electric company. Not later than January 1, 2008, the
284 department shall include such provision in any purchased gas
285 adjustment clause approved for a gas company on or after the issuance
286 of a final decision in a proceeding on amendments to rate schedules for
287 such company.

288 Sec. 6. Section 12-587 of the 2006 supplement to the general statutes
289 is repealed and the following is substituted in lieu thereof (*Effective*
290 *July 1, 2006*):

291 (a) As used in this chapter: (1) "Company" includes a corporation,
292 partnership, limited partnership, limited liability company, limited
293 liability partnership, association, individual or any fiduciary thereof;
294 (2) "quarterly period" means a period of three calendar months
295 commencing on the first day of January, April, July or October and
296 ending on the last day of March, June, September or December,
297 respectively; (3) "gross earnings" means all consideration received
298 from the first sale within this state of a petroleum product; (4)
299 "petroleum products" means those products which contain or are
300 made from petroleum or a petroleum derivative; (5) "first sale of
301 petroleum products within this state" means the initial sale of a
302 petroleum product delivered to a location in this state; (6) "export" or
303 "exportation" means the conveyance of petroleum products from
304 within this state to a location outside this state for the purpose of sale
305 or use outside this state; and (7) "sale for exportation" means a sale of
306 petroleum products to a purchaser which itself exports such products.

307 (b) (1) Except as otherwise provided in subdivision (2) of this
308 subsection, any company which is engaged in the refining or
309 distribution, or both, of petroleum products and which distributes

310 such products in this state shall pay a quarterly tax on its gross
311 earnings derived from the first sale of petroleum products within this
312 state. Each company shall on or before the last day of the month next
313 succeeding each quarterly period render to the commissioner a return
314 on forms prescribed or furnished by the commissioner and signed by
315 the person performing the duties of treasurer or an authorized agent or
316 officer, including the amount of gross earnings derived from the first
317 sale of petroleum products within this state for the quarterly period
318 and such other facts as the commissioner may require for the purpose
319 of making any computation required by this chapter. Except as
320 otherwise provided in subdivision (3) of this subsection, the rate of tax
321 shall be (A) five per cent with respect to calendar quarters prior to July
322 1, 2005; (B) five and eight-tenths per cent with respect to calendar
323 quarters commencing on or after July 1, 2005, and prior to July 1, 2006;
324 (C) six and three-tenths per cent with respect to calendar quarters
325 commencing on or after July 1, 2006, and prior to July 1, 2007; (D)
326 seven per cent with respect to calendar quarters commencing on or
327 after July 1, 2007, and prior to July 1, 2008; (E) seven and one-half per
328 cent with respect to calendar quarters commencing on or after July 1,
329 2008, and prior to July 1, 2013; and (F) eight and one-tenth per cent
330 with respect to calendar quarters commencing on or after July 1, 2013.

331 (2) Gross earnings derived from the first sale of the following
332 petroleum products within this state shall be exempt from tax: (A) Any
333 petroleum products sold for exportation from this state for sale or use
334 outside this state; (B) the product designated by the American Society
335 for Testing and Materials as "Specification for Heating Oil D396-69",
336 commonly known as number 2 heating oil, to be used exclusively for
337 heating purposes or to be used in a commercial fishing vessel, which
338 vessel qualifies for an exemption pursuant to section 12-412, as
339 amended; (C) kerosene, commonly known as number 1 oil, to be used
340 exclusively for heating purposes, provided delivery is of both number
341 1 and number 2 oil, and via a truck with a metered delivery ticket to a
342 residential dwelling or to a centrally metered system serving a group
343 of residential dwellings; (D) the product identified as propane gas, to

344 be used exclusively for heating purposes; (E) bunker fuel oil,
 345 intermediate fuel, marine diesel oil and marine gas oil to be used in
 346 any vessel having a displacement exceeding four thousand dead
 347 weight tons; (F) for any first sale occurring prior to July 1, 2008,
 348 propane gas to be used as a fuel for a motor vehicle; (G) for any first
 349 sale occurring on or after July 1, 2002, grade number 6 fuel oil, as
 350 defined in regulations adopted pursuant to section 16a-22c, to be used
 351 exclusively by a company which, in accordance with census data
 352 contained in the Standard Industrial Classification Manual, United
 353 States Office of Management and Budget, 1987 edition, is included in
 354 code classifications 2000 to 3999, inclusive, or in Sector 31, 32 or 33 in
 355 the North American Industrial Classification System United States
 356 Manual, United States Office of Management and Budget, 1997 edition;
 357 (H) for any first sale occurring on or after July 1, 2002, number 2
 358 heating oil to be used exclusively in a vessel primarily engaged in
 359 interstate commerce, which vessel qualifies for an exemption under
 360 section 12-412, as amended; (I) for any first sale occurring on or after
 361 July 1, 2000, paraffin or microcrystalline waxes; or (J) for any first sale
 362 occurring prior to July 1, 2008, petroleum products to be used as a fuel
 363 for a fuel cell, as defined in subdivision (113) of section 12-412, as
 364 amended.

365 (3) The rate of tax on gross earnings derived from the first sale of
 366 grade number 6 fuel oil, as defined in regulations adopted pursuant to
 367 section 16a-22c, to be used exclusively by a company which, in
 368 accordance with census data contained in the Standard Industrial
 369 Classification Manual, United States Office of Management and
 370 Budget, 1987 edition, is included in code classifications 2000 to 3999,
 371 inclusive, or in Sector 31, 32 or 33 in the North American Industrial
 372 Classification System United States Manual, United States Office of
 373 Management and Budget, 1997 edition, or number 2 heating oil used
 374 exclusively in a vessel primarily engaged in interstate commerce,
 375 which vessel qualifies for an exemption under section 12-412, as
 376 amended, shall be: (A) Four per cent with respect to calendar quarters
 377 commencing on or after July 1, 1998, and prior to July 1, 1999; (B) three

378 per cent with respect to calendar quarters commencing on or after July
379 1, 1999, and prior to July 1, 2000; (C) two per cent with respect to
380 calendar quarters commencing on or after July 1, 2000, and prior to
381 July 1, 2001; and (D) one per cent with respect to calendar quarters
382 commencing on or after July 1, 2001, and prior to July 1, 2002.

383 (c) (1) Any company which imports or causes to be imported into
384 this state petroleum products for sale, use or consumption in this state,
385 other than a company subject to and having paid the tax on such
386 company's gross earnings from first sales of petroleum products
387 within this state, which earnings include gross earnings attributable to
388 such imported or caused to be imported petroleum products, in
389 accordance with subsection (b) of this section, shall pay a quarterly tax
390 on the consideration given or contracted to be given for such
391 petroleum product if the consideration given or contracted to be given
392 for all such deliveries during the quarterly period for which such tax is
393 to be paid exceeds three thousand dollars. Except as otherwise
394 provided in subdivision (3) of this subsection, the rate of tax shall be
395 (A) five per cent with respect to calendar quarters commencing prior to
396 July 1, 2005; (B) five and eight-tenths per cent with respect to calendar
397 quarters commencing on or after July 1, 2005, and prior to July 1, 2006;
398 (C) six and three-tenths per cent with respect to calendar quarters
399 commencing on or after July 1, 2006, and prior to July 1, 2007; (D)
400 seven per cent with respect to calendar quarters commencing on or
401 after July 1, 2007, and prior to July 1, 2008; (E) seven and one-half per
402 cent with respect to calendar quarters commencing on or after July 1,
403 2008, and prior to July 1, 2013; and (F) eight and one-tenth per cent
404 with respect to calendar quarters commencing on or after July 1, 2013.
405 Fuel in the fuel supply tanks of a motor vehicle, which fuel tanks are
406 directly connected to the engine, shall not be considered a delivery for
407 the purposes of this subsection.

408 (2) Consideration given or contracted to be given for petroleum
409 products, gross earnings from the first sale of which are exempt from
410 tax under subdivision (2) of subsection (b) of this section, shall be

411 exempt from tax.

412 (3) The rate of tax on consideration given or contracted to be given
 413 for grade number 6 fuel oil, as defined in regulations adopted
 414 pursuant to section 16a-22c, to be used exclusively by a company
 415 which, in accordance with census data contained in the Standard
 416 Industrial Classification Manual, United States Office of Management
 417 and Budget, 1987 edition, is included in code classifications 2000 to
 418 3999, inclusive, or in Sector 31, 32 or 33 in the North American
 419 Industrial Classification System United States Manual, United States
 420 Office of Management and Budget, 1997 edition, or number 2 heating
 421 oil used exclusively in a vessel primarily engaged in interstate
 422 commerce, which vessel qualifies for an exemption under section 12-
 423 412, as amended, shall be: (A) Four per cent with respect to calendar
 424 quarters commencing on or after July 1, 1998, and prior to July 1, 1999;
 425 (B) three per cent with respect to calendar quarters commencing on or
 426 after July 1, 1999, and prior to July 1, 2000; (C) two per cent with
 427 respect to calendar quarters commencing on or after July 1, 2000, and
 428 prior to July 1, 2001; and (D) one per cent with respect to calendar
 429 quarters commencing on or after July 1, 2001, and prior to July 1, 2002.

430 (d) The amount of tax reported to be due on such return shall be
 431 due and payable on or before the last day of the month next
 432 succeeding the quarterly period. The tax imposed under the provisions
 433 of this chapter shall be in addition to any other tax imposed by this
 434 state on such company. The Commissioner of Revenue Services shall
 435 provide the company submitting the tax with a credit on the amount of
 436 tax due in accordance with the estimates determined pursuant to
 437 subsection (f) of this section, which credit the company shall deposit
 438 into the fuel oil conservation account, established pursuant to section
 439 3 of this act.

440 (e) For the purposes of this chapter, the gross earnings of any
 441 producer or refiner of petroleum products operating a service station
 442 along the highways or interstate highways within the state pursuant to

443 a contract with the Department of Transportation or operating a
444 service station which is used as a training or test marketing center
445 under the provisions of subsection (b) of section 14-344d, shall be
446 calculated by multiplying the volume of petroleum products delivered
447 by any producer or refiner to any such station by such producer's or
448 refiner's dealer tank wagon price or dealer wholesale price in the area
449 of the service station.

450 (f) Not later than every quarterly period, the Commissioner of
451 Revenue Services shall conduct a review to estimate the percentage of
452 the revenues collected pursuant to this section that are necessary to
453 fund the fuel oil conservation account in accordance with the
454 provisions of section 3 of this act.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2006</i>	16-19b(b)
Sec. 2	<i>July 1, 2006</i>	16-32f
Sec. 3	<i>July 1, 2006</i>	New section
Sec. 4	<i>July 1, 2006</i>	16-245m(c)
Sec. 5	<i>July 1, 2006</i>	16-19b(j)
Sec. 6	<i>July 1, 2006</i>	12-587

Statement of Purpose:

To establish financing guidelines for the natural gas conservation program and to establish a fuel oil conservation program.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]